



October 9, 2015

Victoria Wachino
Director
Center for Medicaid and CHIP Services
Centers for Medicare and Medicaid Services
200 Independence Avenue Southwest
Washington, DC 20201

1145 Broadway
Tacoma Financial Center
Suite 300
Tacoma, WA 98402

Dear Director Wachino,

We are writing in support of the 1115 Global Medicaid Waiver application that our state's Medicaid agency, the Health Care Authority (HCA), submitted to CMS for approval in late August.

Coordinated Care is a managed care health plan founded in Washington State in 2012. Our company is a wholly-owned subsidiary of Centene Corporation, a national leader in healthcare services. We offer health insurance for children and adults in Washington State and cover over 200,000 lives through our Medicaid and Exchange products. We believe that treating people with kindness, respect and dignity empowers healthy decisions. Through locally-grounded, coordinated care and support services, we are committed to improving the health of the community, one person at a time.

As a company, we see the value that many of the concepts and principles laid out in HCA's application can bring to our state's health system. One such concept is physical and behavioral health integration, both in service delivery and in payment redesign. This particular element of Healthier Washington has been called for in our state system for many years. Integrating physical and behavioral health services, including mental health, chemical dependency and substance abuse services, at a clinical practice level--and at a system and financial level--can improve the overall quality of care and health outcomes, and ultimately, reduce costs. We believe in treating the whole person, not just the physical body, and fully support the State's efforts towards integration. We remain curious and interested in how waiver negotiations and initiatives will address the specifics of full integration and facilitate its success.

We are also intrigued by the state's desire to create shared savings mechanisms that funnel savings in our system back into the community to support broader population health goals. This is a lofty and admirable goal, but it will require CMS and its actuaries to be willing to engage with HCA to determine how to calculate savings, prioritize funding options, and establish rates that are more flexible. As a nationally recognized leader in innovative managed care solutions, we want to participate in an inclusive process to design shared savings mechanisms that ensure federal funds are appropriately allocated and create aligned incentives across the system. This will allow us to further enhance our current innovative business practices to support and partner with our members and communities in improving their health.

Furthermore, we think it's important for CMS and HCA to consider that cost avoidance in MCO and provider systems is not the same thing as savings that are easily reinvested back into the system. In the first years of the Waiver's implementation, it is likely that savings from healthcare integration and streamlining practices will actually be seen in sectors like the county jail systems as rates of recidivism

decrease. We encourage CMS and HCA to determine how to ensure these savings are reinvested back into the healthcare system.

We also have specific comments on each initiative, which are listed below:

Initiative 1: Transformation through Accountable Communities of Health

We are actively engaged in every Accountable Community of Health (ACH) across our state because we believe local partnerships enable meaningful, accessible healthcare. We also see the value in creating or building upon regional collaboratives to coordinate health improvement efforts across health system siloes. However, many of these “Communities of Health” are still developing and are trying to prepare simultaneously for their responsibilities and role in the region if the state receives Waiver approval, and if it does not. Trying to prepare in this way requires a significant amount of infrastructure, resources, capacity, and technical assistance that many regions do not currently have. We would like to see clear expectations for ACH infrastructure and the ACH’s role in waiver funds flow quickly incorporated in the Terms and Conditions negotiations that CMS has with HCA staff so as to better guide these ACHs prior to Waiver approval.

Given the limited resources for ACH development, some ACHs are looking into sustainability approaches that rely upon membership dues (both voluntary and mandatory) to continue their collaborative efforts. The potential conflict of interest this sustainability model creates in a Wavier environment does give us pause. It will be crucial to determine early on how to create system change at an ACH-level when the contributing members of the ACH will be the same entities that the ACH will have to fund to implement transformation projects. Unless this conflict is addressed early, the ability of ACHs to successfully achieve Waiver goals and outcomes will be in jeopardy.

Initiative 2: Broaden Array of Service Options that Enable Individuals to Stay at Home and Delay or Avoid Need for More Intensive Care

As a company and subsidiary of a corporation that is leading the way in home and community based services for the long-term care population, we support our state’s efforts to build on our rebalanced system to prepare for the age wave that is coming. We encourage CMS to require robust data collection to be included as these services are spread and expanded. Especially with the population influx that our system is expecting, it will be important to know as much as possible about the health status and costs of the population. Additionally, interoperability of health information will also be important for the segment of the LTSS population whose lower level medical needs are served and coordinated by our company.

Initiative 3: Provision of Targeted Foundational Community Supports

Washington State’s health system is a leader in recognizing the need to not only focus on the 20% of factors within the traditional health system that affect a person’s health but also on the 80% of factors outside the health care system that determine a person’s health status across the lifespan. Moving to a fully integrated managed care is another step forward in addressing this 80/20 proposition. It also drives many health system leaders to look more closely at other socio-economic

factors that will support the success of the fully integrated system. If supportive housing and supported employment is to be included in Washington's managed care system under the Waiver demonstration, we believe these benefits need to be included in managed care health plan contracts rather than in contracts with behavioral health organizations (BHOs). In order for that to be achieved, we encourage CMS to provide guidance and counsel on how to design and implement this benefit successfully and to allow for an upfront investment to be made to managed care health plans to stand up these services in our operations. Once up and running, we urge CMS to maintain adequate rates for this benefit so that we can best serve the whole-person needs of our members.

We know that our state's goals for Healthier Washington are admirable and ambitious. We understand how HCA believes its 1115 Global Medicaid Waiver Application will provide the tools it needs to facilitate achievement of those goals. However, our State has many initiatives currently underway and, while a Global Waiver could help accelerate these health system transformations, there is also a risk of there being limited capacity and resources needed to achieve our Transformation goals. We strongly encourage HCA to prioritize the goals of the Waiver so that results can be achieved in the short timeframe required of the demonstration.

There are many details that are still unknown about how the waiver will be implemented statewide, how our role as a managed care health plan will be affected, and how the funding will flow through "coordinating entities." While we are supportive of the application in general, we continue to be curious as to how these unknown factors will be addressed in the Terms and Conditions negotiations occurring between CMS and HCA and during a CMS-approved "year 0" capacity-building period.

We urge CMS to allow HCA to be as transparent as possible with its close stakeholders as many of these details are ironed out. In fact, we hope that CMS will hold our state agencies accountable to these transparency efforts during the negotiation process. We are willing to be engaged partners and to work hard to make these proposed efforts a reality, but are only empowered to do so when a breadth of correct and timely information is shared.

Thank you for the opportunity to provide comment on Washington State's application for the 1115 Global Medicaid Waiver. We look forward to engaging with our state and federal partners in the coming months as details of the waiver are shared and decided upon.

Sincerely,



Jay Fathi, MD
President and CEO
Coordinated Care